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FEDERAL REBATES NOT TAXABLE

FRANKFORT, KY (June 11, 2001) – In response to numerous inquiries, the Kentucky Revenue Cabinet announced today that Federal individual income tax rebate checks to be mailed to Kentucky residents under the Federal Economic Growth and Tax Reconciliation Act of 2001, are not taxable for Kentucky state income tax purposes.

“This is because Federal income tax is not deductible on the state income tax return,” said Revenue Secretary Mike Haydon.

According to the IRS, 1.2 million checks are expected to be mailed to Kentucky residents beginning in July.